

INVITATION FOR OFFER – MMS ROYALTY IN KIND GAS
IFO NO: MMS-RIK-2002-GOMR-001
November 2001 - March 2002/October 2002

Introduction

The Minerals Management Service (MMS) of the U.S. Department of the Interior is requesting written offers to purchase royalty gas produced from Federal offshore leases in the Gulf of Mexico. Production is delivered into the eight offshore pipeline systems identified below. The details of each pipeline sale are presented in the eight attachments to this offer.

This sale is for either a five or twelve month term beginning November 1, 2001. The successful purchaser will take custody of the royalty gas at offshore receipt points and will schedule and nominate the gas at and downstream of these receipt points.

You must submit a written offer via facsimile (fax number 303-275-7124) **by 11:00 a.m. Central Time on October 10, 2001**. We will award the offers by 3:00 p.m. Central Time on October 11, 2001. You may call Mike DeBerard at 303-275-7235 or Karen Bigelow at 303-275-7411 with questions about this invitation for offer.

<u>Attach. Number</u>	<u>Pipeline System</u>	<u>Approx. Daily Volume</u>	<u>No. of Receipt Points</u>	<u>Preferred Index(s)</u>
1	ANR Nearshore	17,970	8	ANR
2	Blessing, TX	48,080	3	Houston Ship Channel
3	Bluewater - Columbia Gulf	29,060	16	Columbia
4	Bluewater - Tennessee Gas	14,450	18	Tennessee
5	HIOS (High Island Offshore System)	62,540 *	42	ANR, NGPL, Tennessee, Henry Hub
6	MOPS (Matagorda Offshore Pipeline)	18,940	16	None
7	NHIS (North High Island System)	42,830	10	Transco
8	Stingray	72,530 *	26	NGPL

* HIOS and Stingray are split into sub-packages – see Attachments 5 and 8

Offers¹

Each attachment offers a package (or packages) of gas consisting of a baseload and/or swing component². For the baseload gas, you must bid using an appropriate Inside F.E.R.C. first-of-month price. For the swing gas, you must bid using an appropriate Gas Daily daily midpoint price. You must bid on both the baseload and swing components because the successful offeror will take each package in its entirety. By submission of a bid, the offeror agrees to be bound to the terms and conditions of its' GISB contract with MMS and this solicitation.

Each attachment contains two exhibits. Exhibit A is the bid sheet. Your offer should include a bid in relation to an applicable index price. If your proposal has a transportation cost:

- quantify the transportation and fuel deductions
- indicate if your transportation cost is a pipeline tariff
- indicate if your transportation cost will change if the tariff changes.

Exhibit B identifies the Gulf of Mexico Federal properties involved in this offer. The royalty gas available to the successful offeror(s) will be the Government's share of production from those properties. Our most recent estimate of the Government's share of production is provided in Exhibit B.

You may also submit a multi-pipeline package where the award is contingent on winning all the packages included in your offer. You must meet our financial qualifications for the full volume you wish to purchase. Indicate your priority of acceptance for a multi-package deal in a cover sheet with your offers.

Offers for either or both a five-month term and one-year term are acceptable. Place your bid(s) in the appropriate bid sheet column in Exhibit A of each attached pipeline package.

Consideration of Offers

MMS may award a contract on the basis of initial offer(s) received without discussions. Accordingly, each initial offer should be submitted on the most favorable terms that the offeror could submit. However, MMS may negotiate with offerors in the event bids of similar value are received. All information about the value of bids received will remain confidential.

The MMS shall award a contract resulting from this solicitation to the offeror whose bid, in MMS' judgement, is most advantageous to the Federal Government. MMS will award, to the successful offeror, by means of a Natural Gas Purchase Confirmation Notice.

Governing Contract

This transaction is governed by the GISB contract signed between the purchaser and MMS.

¹ Offerors must be prequalified to submit bids. The prequalification process is described in our website at <http://www.mrm.mms.gov/rikweb/prequal.htm>. The successful offeror must have a signed GISB-based contract on file with MMS.

² Baseload is an amount of natural gas delivered over a given period of time at a steady rate unless an adverse operational or force majeure action occurs. Swing volume is the supply of natural gas that is last to be taken and first to be curtailed. It absorbs production variations.

Term

Initial deliveries of royalty gas to the successful offeror will commence November 1, 2001. The royalty gas delivery period will be for a term of either five months ending March 31, 2002, or one year, ending October 31, 2002, depending on the value of bids received, unless MMS terminates the transaction. MMS may declare an early termination under the following circumstances:

- (1) the failure to pay, when due, any payment required under this agreement, if such failure is not remedied within five (5) business days after written notice of such failure, provided that the payment is not the subject of a good faith dispute and the successful offeror pays MMS such amounts as it concedes to be correct;
- (2) any representation or warranty which is proven to have been false or misleading in any material respect when made or deemed to be repeated;
- (3) the successful offeror not providing adequate surety as described under Financial Assurance below.

Delivery Points

Except as noted below for the Blessing, TX package, delivery points for royalty gas from the properties listed in Exhibit B are various offshore points, as follows:

- For properties directly connected to the primary pipeline system identified for each package, the delivery point is the royalty meter at the platform.
- For properties connected to the primary pipeline system identified for each package by producer lateral lines, the delivery point is the downstream terminus of the producer lateral.
- For properties connected to the primary pipeline system identified for each package by common carrier lateral lines, the delivery point is the royalty meter at the platform or, if there is a producer lateral line between the platform meter and common carrier pipeline, the delivery point is the point where the producer lateral connects to the common carrier lateral.

The successful offeror must contract with common carrier lateral line operators for transportation over the lateral line. MMS will reimburse the successful offeror for demonstrated and reasonable costs for lateral line transportation.

For Blessing, TX gas, the delivery point is the onshore terminus of the Shoreline Pipeline System at interconnects with various interstate and intrastate pipelines at Blessing, TX.

Transportation and Scheduling of Royalty Gas

The successful offeror agrees to take 100 percent of the royalty gas delivered at the delivery point for the entire contract period. The lease operators will use reasonable efforts, consistent with industry practice, to inform the successful offeror regarding significant changes in gas production levels and production shut-ins. The successful offeror, through customary industry practice set forth by GISB and the Council of Petroleum Accountants Societies (COPAS) in nominating and scheduling transportation services, will communicate directly with the operator and make arrangements for the delivery and transfer of royalty gas from the properties shown in each Exhibit B. The successful offeror, at its expense, shall make all necessary arrangements to receive delivery of royalty gas at the delivery point. The successful offeror is not responsible for costs of transportation upstream of the delivery point.

No later than 8 calendar days before the first day of each month, the lease operators will notify the successful offeror of the daily royalty gas volumes and qualities anticipated for the following

month of production. The successful offeror understands that any such estimate is not a warranty of actual deliveries to be made but is provided to facilitate planning of delivery of royalty gas. This will continue for each month of the royalty gas delivery period. Production decreases during the term of this agreement may reduce the volume of gas to a level that impinges on the baseload volume. It is the successful offerors' responsibility to contact MMS and renegotiate new baseload and swing volume ratios in this situation.

Imbalances in the delivery of royalty gas to the successful offeror will be monitored and jointly resolved by MMS and the operator by adjustments in the volume of royalty gas delivered to the successful offeror in subsequent months. These adjustments will be reflected in communications from the operator to the successful offeror regarding the first of month availability of royalty gas.

MMS must be able to track the royalty volumes that are nominated and allocated (delivered) via electronic bulletin boards. Royalty gas, therefore, must be moved as a distinct entity under a business party number unique to MMS. MMS will work with you and the pipeline to establish us as a read only producer or upstream entity.

Processing Rights

MMS reserves the right to process, or cause to be processed by others, all royalty gas for recovery of liquefiable hydrocarbons (and inert gases) other than methane. This includes such methane as cannot be separated from the ethane and heavier hydrocarbons separated or extracted from the gas under normal operation of conventional type separation and processing facilities. In cases where MMS elects to process gas, the successful offeror will schedule associated Plant Thermal Reduction (PTR) volumes. The volume of gas available for sale will decrease by this PTR volume.

MMS will also entertain offers to purchase our processing rights. Please indicate on your offer sheet if your bid includes the rights to processing. All requirements to process under pipeline operational flow orders; Btu restrictions; dew point restrictions, etc. will be the responsibility of the successful offeror if MMS awards the processing rights.

Financial Assurance

For awards exceeding the amount of unsecured credit issued by MMS, successful offerors will be required to provide secured financial assurance in the form of an Irrevocable Letter of Credit (ILOC), Bond, or other MMS-acceptable surety instrument five business days prior to first delivery of natural gas under the contract. The surety must be effective for a period beginning on the date of first delivery under the contract and ending two months after the contract expires.

The financial assurance amount shall be sufficient to cover the value of 60 days of deliveries of the estimated production of all royalty gas awarded, less the amount of unsecured credit issued by the MMS as previously notified. The value of the financial assurance should be calculated as a price/MMBtu using the baseload bid value and the applicable October 2001 first of month price, multiplied by the daily production for both the baseload and swing volumes (estimated in Exhibit A), multiplied by 60 days, less the amount of unsecured credit issued by MMS.

Please submit the calculated amount of financial assurance to Lawrence Cobb (Lawrence.Cobb@mms.gov) of the RIK Office for verification before application is made for an ILOC, Bond, or other surety instrument. Failure to provide adequate financial assurance within five calendar days of notice of award may result in a loss of award.

Significant and sustained increases in the value of natural gas during the term of the contract may result in a requirement to increase the amount of financial assurance.

A sample ILOC is found at <<http://www.mrm.mms.gov/ReportingServices/PDFDocs/4071.pdf>>. Use Form MMS 4072 <http://www.mrm.mms.gov/ReportingServices/PDFDocs/4072.pdf> for bonds. The financial institution issuing the ILOC or surety company issuing the Bond must meet MMS requirements under 30 CFR Part 208.11.

Parent Guaranty

If the corporate entity submitting the bid is different than the parent or partner entity that MMS has pre-qualified, (e.g. a subsidiary, a joint venture partner, a limited partnership partner), the bidder must provide a parent guaranty with the bid to be considered pre-qualified. That is, pre-qualification for participation in the sale is extended only to that corporate entity supported by the financial statements submitted, unless a parent guaranty is provided. A sample format of the parent guaranty can be found at <http://www.mrm.mms.gov/rikweb/PDFDocs/guaranty.pdf>. Please contact Lawrence Cobb at 303-275-7294 if you have any questions regarding the parent guaranty.

Liquidated Damages

MMS will remarket the gas in the event an early contract termination occurs. MMS will collect from the terminated party an amount equal to the positive difference, if any, between the contract price less the price at which MMS is able to remarket the gas not purchased, using commercially reasonable efforts in an arm's-length transaction. This provision does not preclude MMS from enforcing any liquidated damages specified in the signed GISB contract.

PAPERWORK REDUCTION ACT STATEMENT: The Paperwork Reduction Act of 1995 requires us to inform you that the information being collected under this solicitation is necessary to document fulfillment of royalty obligations and sales of minerals from leases on Federal lands. We will use this information to evaluate bids on sales of royalty production. The estimated burden to report is approximately one hour each for a bid document, letter of credit or bond, or financial statement or pre-qualification document. Suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, MMS, 1849 C Street, N.W., Washington, D.C. 20240. Proprietary information submitted to the U.S. Department of the Interior is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(b)(4)), and the Departmental Regulations (43 CFR 2). Storage of such information and access to it are controlled by strict security measures. An agency may not conduct or sponsor and a person is not required to respond to, a collection of information unless it displays a currently valid OMB number.

8 Attachments

Bid Sheet

Minerals Management Service
IFO No: MMS-RIK-2002-GOMR-001

Attachment 1
Exhibit A

Karen Bigelow: 303 275 7411
Mike DeBerard: 303 275 7235
Fax No.: 303 275 7124

ANR Nearshore - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation	Nov 01 - Mar 02 Term Bid <u>1/</u>	Nov 01 - Oct 02 Year Bid <u>1/</u>	ANR Transportation <u>2/</u>
ANR Nearshore	10,000	Base			- not applicable -
ANR Nearshore	7,970	Swing			- not applicable -

1/ Baseload gas is bid at Inside FERC: ANR (LA)
Swing load gas is bid at Gas Daily (Daily): Louisiana - Onshore South; ANR

2/ No transport cost to ANR SE pool.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

ANR Nearshore

IFO No: MMS-RIK-2002-GOMR-001

Term: November 2001 - March/October 2002

Attachment 1

Exhibit B

Receipt Point	Meter Number	Daily 1/ Royalty Production (MMBtu)	Lease/Agre.	Area/Block	Operator	Lateral Line
WC 165 A	165W1	880	055-000758-0 054-004397-0	WC 165 WC 291	Devon Energy Devon Energy	
WC 182 A	182W1	2,260	054-015062-0	WC 182	Seneca Resources	
WC 204 A	204W1	currently shut-in	054-015066-0	WC 204	Energy Res. Technology	
WC 205 A	205W1	6,180	054-002832-0 054-003496-0	WC 205 WC 206	Forest Energy Devon Energy	
WC 238 A	238W1	2,375	054-002834-0 054-003499-0 054-009408-0	WC 238 WC 249 WC 248	J.M. Huber J.M. Huber J.M. Huber	
subtotal		11,695				

• Texas Gas Transmission Nominated Properties

HI 167 A		150	054-006200-0	HI 166	EOG Resources, Inc.	Texas Gas	<u>2/</u>
• receipt pt	9383		054-014883-0	HI 130	Prime Natural Res.		
• delivery pt	9331						
WC 294 A		3,975	054-006581-0	WC 292	BP Amoco	Texas Gas	<u>2/</u>
• receipt pt	2838		891-020255-0	WC 293	BP Amoco		
• delivery pt	9331		054-015708-0	WC 300	Chieftain Int'l.		
WC 306 A		2,150	054-010572-0	WC 306	St. Mary's L & E	Texas Gas	<u>2/</u>
• receipt pt	9440		054-017786-0	WC 304	Unocal		
• delivery pt	9331						
subtotal		6,275					

Package Total: **17,970**

Note 1/ Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Note 2/ Successful purchaser must contract with lateral line operator for transportation. MMS will reimburse the purchaser for the actual, reasonable lateral charge.

Bid Sheet

Minerals Management Service
IFO No: MMS-RIK-2002-GOMR-001

Attachment 2
Exhibit A

Karen Bigelow: 303 275 7411
Mike DeBerard: 303 275 7235
Fax No.: 303 275 7124

Blessing, TX (Texas 8G) - RIK Gas Sales

Delivery Point <u>2/</u>	Volume MMBtu/D	Obligation	Nov 01 - Mar 02 Term Bid <u>1/</u>	Nov 01 - Oct 02 Year Bid <u>1/</u>	Transportation
Tailgate of Matagorda Gas Plant	35,000	Base			- not applicable -
Tailgate of Matagorda Gas Plant	13,080	Swing			- not applicable -

1/ Baseload gas is bid at Inside FERC: Houston Ship Channel (large package)
Swing load gas is bid at Gas Daily (Daily): East-Houston-Katy; Houston Ship Channel

2/ Pipe pigging requires small volumes be received on the Tomcat System, delivered
at Matagorda Island Liquid Separation Plant (MILSP), near Port Lavaca, Texas.
Pipelines located at MILSP are TETCO, Tejas, Midcon, Channel and HPL.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

Blessing, TX (Texas 8g)

IFO No: MMS-RIK-2002-GOMR-001

Term: November 2001 - March/October 2002

Attachment 2

Exhibit B

Receipt Point	Daily <u>1</u> / Royalty Production (MMBtu)	Lease/Agre.	Area\Block	Operator
Tailgate of Matagorda	5,720	054-006032-0	MI 519	BP Amoco
gas plant		054-005169-0	MI 518	BP Amoco
Tailgate of Matagorda	40,160	754-398002-A	MI 622	BP Amoco
gas plant				
Tailgate of Matagorda	2,200	054-006042-0	MI 633	Apache
gas plant		054-007202-0	MI 634	Apache
Package Total:	<u>48,080</u>			

Note 1/ Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Bid Sheet

Minerals Management Service
IFO No: MMS-RIK-2002-GOMR-001

Attachment 3
Exhibit A

Karen Bigelow: 303 275 7411
Mike DeBerard: 303 275 7235
Fax No.: 303 275 7124

Bluewater Pipeline System; Columbia Gulf - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation	Nov 01 - Mar 02 Term Bid <u>1/</u>	Nov 01 - Oct 02 Year Bid <u>1/</u>	Columbia Transportation <u>2/</u>
Columbia Gulf Trans. Co.	20,000	Base			- not applicable -
Columbia Gulf Trans. Co.	9,060	Swing			- not applicable -

1/ Baseload gas is bid at Inside FERC: CGT (LA)
Swing load gas is bid at Gas Daily (Daily): Louisiana - Onshore South; Columbia

2/ MMS has contracted for transport on Columbia and will assign contract to winning offeror.
Successful offeror will pay this contracted rate to Columbia and be reimbursed by MMS.

Bluewater Retrograde Condensate

Retrograde or drip condensates are recovered at the Cocodrie and Pecan Island Plants at onshore Bluewater locations and are allocable to our Bluewater properties. MMS reserves the right to recover this retrograde/drip condensate.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

Bluewater - Columbia Gulf

IFO No: MMS-RIK-2002-GOMR-001

Term: November 2001 - March/October 2002

Attachment 3

Exhibit B

Receipt Point	Meter Number	Daily ^{1/} Royalty Production (MMBtu)	Lease/Agre.	Area/Block	Operator
EI 224 A	011970	6,480	054-005504-0	EI 224	BP Amoco
EI 251 A	647	7,090	054-003331-0 054-007736-0	EI 251 EI 262	Newfield Expl. Co. Newfield Expl. Co.
EI 273 A	609	currently shut-in	891-012338-0	EI 273	Forest Oil Corp.
EI 314 A	623	1,830	054-002111-0 891-016927-0 891-016928-0 891-016929-0	EI 314 EI 330 EI 330 EI 330	Exxon Mobil Exxon Mobil Exxon Mobil Exxon Mobil
EI 314 B	632	330	054-002111-0 891-016927-0 891-016928-0 891-016929-0	EI 314 EI 330 EI 330 EI 330	Exxon Mobil Exxon Mobil Exxon Mobil Exxon Mobil
EI 331 A	018022	1,420	054-002116-0 891-016932-0 891-016933-0 891-016937-0 891-016941-0	EI 331 EI 330 EI 330 EI 330 EI 330	Shell Offshore Inc. Shell Offshore Inc. Shell Offshore Inc. Shell Offshore Inc. Shell Offshore Inc.
EI 335 A	012517	690	054-017996-0	EI 335	Murphy E&P Co.
EC 353 A	6600353	440	891-016147-0	EC 353	Amerada Hess
VR 156 A	691	260	054-002872-0 054-021597-0	VR 155 VR 155	Newfield Expl. Co. Newfield Expl. Co.
VR 178 JB	4106	210	054-011871-0	VR 178	Apache Corp.
VR 281 A	4138	120	054-015201-0	VR 281	St. Mary's L&E
WC 599 A	4136	6,500	054-014348-0 054-012807-0	WC 599 WC 600	Samedan Oil Corp. Samedan Oil Corp.
WC 630 A	639	1,630	054-002560-0	WC 630	Forest Oil Corp.
WC 631 A	4142	currently shut-in	054-015120-0	WC 631	Murphy E&P Co.
WC 643 A	629	1,260	054-002241-0 054-002267-0 891-013843-0	WC 643 EC 371 WC 643	Texaco E&P Inc. Texaco E&P Inc. Texaco E&P Inc.
WC 643 B	652	800	054-002241-0 054-017819-0	WC 643 WC 624	Texaco E&P Inc. Texaco E&P Inc.

Package Total: 29,060

Note ^{1/} Daily Production numbers are MMS' estimated share of production from the property.
Historical production and quality data available upon request.

Bid Sheet

Minerals Management Service
IFO No: MMS-RIK-2002-GOMR-001

Attachment 4
Exhibit A

Karen Bigelow: 303 275 7411
Mike DeBerard: 303 275 7235
Fax No.: 303 275 7124

Bluewater Pipeline System; Tennessee Gas - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation	Nov 01 - Mar 02 Term Bid <u>1/</u>	Nov 01 - Oct 02 Year Bid <u>1/</u>	Tennessee Transportation <u>2/</u>
Tennessee Gas Pipeline receipt points on 500 Leg	8,000	Base			- not applicable -
Tennessee Gas Pipeline receipt points on 500 Leg	6,450	Swing			- not applicable -

1/ Baseload gas is bid at Inside FERC: TGP (Z1)
Swing load gas is bid at Gas Daily (Daily): Louisiana - Onshore South; Tennessee, 500 Leg

2/ No transport cost to Tennessee 500 leg pool.

Bluewater Retrograde Condensate

Retrograde or drip condensates are recovered at the Cocodrie and Pecan Island Plants at onshore Bluewater locations and are allocable to our Bluewater properties. MMS reserves the right to to recover this retrograde/drip condensate.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

Bluewater - Tennessee Gas 500 Leg

IFO No: MMS-RIK-2002-GOMR-001

Term: November 2001 - March/October 2002

Attachment 4

Exhibit B

Receipt Point	Meter Number	Daily 1/ Royalty Production (MMBtu)	Lease/Agre.	Area/Block	Operator
EI 258 B	011067	440	054-001958-0	EI 255	CXY Energy
EI 257 C	011068	510	054-001959-0	EI 258	CXY Energy
EI 257 D	011069	50	054-002103-0	EI 257	CXY Energy
EI 322 A	011353	170	054-002113-0 054-002606-0	EI 322 EI 301	BP Amoco BP Amoco
EI 325 A	012049	270	054-005517-0 054-008695-0	EI 325 EI 320	Forest Oil Corp. Forest Oil Corp.
EI 365 A	011220	330	054-013628-0 054-002321-0	EI 365 EI 348	Devon Energy Devon Energy
SM 0078 B	011971	3,000	054-001210-0 054-007703-0	SM 78 SM 77	Chevron U.S.A. Inc. Chevron U.S.A. Inc.
SS 111 A	012102	640	054-006739-0	SS 111	Newfield Expl. Co.
SS 145 B	012304	1,050	054-011984-0	SS 159	Newfield Expl. Co.
SS 0149 A	011450	2,600	054-011983-0 055-000419-0 055-000434-0 055-000453-0	SS 148 SS 150 SS 149 SS 130	Phillips Petroleum Century Exploration Phillips Petroleum Phillips Petroleum
SS 0154 E	010932	400	055-000419-0 055-000420-0	SS 150 SS 154	Century Exploration Century Exploration
SS 157 A	012190	70	754-397002-A 054-003584-0 054-010772-0	SS 170 SS 170 SS 171	Newfield Expl. Co. Newfield Expl. Co. Newfield Expl. Co.
SS 167 A	011208	2,450	055-000818-0 054-005549-0	SS 167 SS 166	Murphy E&P Co. Murphy E&P Co.
SS 168 D	011624	830	055-000819-0	SS 168	Chevron U.S.A. Inc.
SS 181 B	011691	280	054-004231-0	SS 181	Chevron U.S.A. Inc.
SS 182 C	011182	520	055-000821-0 054-001019-0	SS 183 SS 182	Chevron U.S.A. Inc. Chevron U.S.A. Inc.
SS 198 H	011180	800	054-012358-0 054-012355-0	SS 198 SS 199	Devon Energy Devon Energy
SS 198 J	011802	40	054-012355-0	SS 199	Devon Energy
Package Total:		<u>14,450</u>			

Note 1/ Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Bid Sheet

Minerals Management Service
IFO No: MMS-RIK-2002-GOMR-001

Attachment 5
Exhibit A

Karen Bigelow: 303 275 7411
Mike DeBerard: 303 275 7235
Fax No.: 303 275 7124

High Island Offshore System - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation	Nov 01 - Mar 02 Term Bid	Nov 01 - Oct 02 Year Bid	HIOS Transportation <u>3/</u>
PACKAGE 1 <u>1/</u>					
High Island Offshore System	25,000	Base			
High Island Offshore System	12,400	Swing			
PACKAGE 2 <u>2/</u>					
High Island Offshore System	15,000	Base			
High Island Offshore System	10,140	Swing			

☐ I am interested in only one package (1 or 2)

☐ I am interested in both packages as one purchase

1/ Preferred indexes are ANR, NGPL, FGT (Z2), and Henry Hub.
MMS will also give preference to a "greater of" bid combining two or more of these indexes.

2/ Baseload gas is bid at Inside FERC: ANR (LA)
Swing load gas is bid at Gas Daily (Daily): Louisiana - Onshore South; ANR

3/ Quantify your transportation and fuel costs and specify if it is tariff-related.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

HIOS (High Island Offshore System)

IFO No: MMS-RIK-2002-GOMR-001

Term: November 2001 - March/October 2002

Attachment 5

Exhibit B

Receipt Point	Meter Number	Daily 1/ Royalty Production (MMBtu)	Lease/Agre.	Area/Block	Operator	Lateral Line	
Package 1							
EB 110 A	110EB	3,710	054-002650-0 054-002649-0 754-391005-0	EB 110 EB 109 EB 112	Panaco, Inc. Panaco, Inc. Agip Petroleum Co.		
EB 160 A	160EB	4,270	054-002647-0 054-002645-0 054-002646-0 054-002648-0 054-014204-0	EB 160 EB 158 EB 159 EB 161 EB 117	Unocal Unocal Unocal Unocal BP Amoco		
EB 165 A	165EB	310	754-388012-0	EB 165	Panaco, Inc.		
HIA 244 A	244HA	510	054-017177-0 054-006214-0 054-009423-0 054-014889-0	HI A 244 HI A 231 WC 445 HI A 243	Samedan Oil Corp. Samedan Oil Corp. Samedan Oil Corp. Samedan Oil Corp.		
HIA 263 B	263HA	2,540	054-013342-0 054-008187-0 054-015805-0	HI A 263 HI A 272 HI A 264	El Paso Production El Paso Production El Paso Production		
HIA 270 A	270HA	525	054-002724-0 054-002723-0 054-003377-0 054-014186-0	HI A 270 HI A 269 HI A 281 HI A 253	NCX Company, Inc. NCX Company, Inc. Samedan Oil Corp. ATP O&G Corp.		
HIA 271 A	271H1	currently shut-in	054-006245-0 054-008187-0	HI A 271 HI A 272	El Paso Production El Paso Production		
HIA 283 A	283HA	770	054-002404-0	HI A 283	Koch Exploration		
HIA 312 A	312HA	455	054-014913-0	HI A 312	Dominion		
HIA 340 A	340HA	4,730	054-002426-0 054-002739-0	HI A 340 HI A 339	Devon Energy Devon Energy		
HIA 350 A	350HA	1,415	054-002428-0 054-002238-0	HI A 350 WC 633	Shell Offshore Inc. Shell Offshore Inc.	Transco	<u>2/</u>
HIA 376 A	376HA	100	054-002754-0 054-002750-0	HI A 376 HI A 365	Anadarko Petroleum Anadarko Petroleum		
HIA 376 B	376BHA	235	054-002754-0	HI A 376	Anadarko Petroleum		
HIA 384 A	384HA	3,360	754-393023-0 054-006364-0 054-017301-0	HI A 384 GB 224 GB 179	Kerr-McGee O&G Kerr-McGee O&G Walter O&G	Transco	<u>2/</u>

Property Listing

HIOS (High Island Offshore System)

IFO No: MMS-RIK-2002-GOMR-001

Term: November 2001 - March/October 2002

Attachment 5

Exhibit B

Receipt Point	Meter Number	Daily 1/ Royalty Production (MMBtu)	Lease/Agre.	Area/Block	Operator	Lateral Line	
HIA 416 A	416HA	2,615	054-015794-0 054-015793-0	HI A 416 HI A 415	Unocal Unocal		
HIA 467 A	467HA	1,400	054-002688-0 054-003242-0 054-017181-0 054-020670-0	HI A 467 HI A 466 HI A 470 HI A 468	Forest Oil Corp. Forest Oil Corp. Forest Oil Corp. Forest Oil Corp.		
HIA 471 A	471HA	800	054-002690-0	HI A 471	Newfield Expl. Co.	Transco	<u>2/</u>
HIA 497 A	497HA	currently shut-in	054-006231-0 054-008184-0	HI A 497 HI A 519	El Paso Production El Paso Production		
HIA 523 A	523HA	1,120	054-011390-0	HI A 523	El Paso Production	Seacrest Co.	<u>2/</u>
HIA 528 JA	528HA	currently shut-in	054-013803-0	HI A 528	Apache Corp		
HIA 536 C	536HA	435	054-002697-0	HI A 536	Newfield Expl. Co.	Texas Gas	<u>2/</u>
HIA 536 C	531HA	650	054-002696-0	HI A 531	Newfield Expl. Co.	Texas Gas	<u>2/</u>
HIA 536 C	537HA	currently shut-in	054-002698-0	HI A 537	Newfield Expl. Co.	Texas Gas	<u>2/</u>
HIA 547 B	547HA	2,920	054-002705-0 054-002706-0 054-002716-0 054-017199-0	HI A 547 HI A 548 HI A 568 HI A 545	Samedan Oil Corp. Samedan Oil Corp. Samedan Oil Corp. Shell Offshore Inc.		
HIA 550 A	550HA	2,250	054-004081-0	HI A 550	Samedan Oil Corp.	TETCO	<u>2/</u>
HIA 551 C	551HA	currently shut-in	054-003757-0	HI A 551	Forest Oil Corp.		
HIA 557 A	557HA	160	054-003484-0 054-006238-0	HI A 557 HI A 556	Amerada Hess Amerada Hess		
HIA 568 A	568HA	2,120	054-002716-0 054-017233-0	HI A 568 EB 168	Samedan Oil Corp. Walter O&G	Transco	<u>2/</u>
Package 1 Total:		<u>37,400</u>					

Property Listing

HIOS (High Island Offshore System)

IFO No: MMS-RIK-2002-GOMR-001

Term: November 2001 - March/October 2002

Attachment 5

Exhibit B

Receipt Point	Meter Number	Daily 1/ Royalty Production (MMBtu)	Lease/Agre.	Area/Block	Operator	Lateral Line	
Package 2							
HIA 309 A	309HA	880	054-002735-0	HI A 309	El Paso Natural Gas		
HIA 310 B	310HA	370	054-003378-0	HI A 310	El Paso Natural Gas		
HIA 317 A	317HA	910	054-002412-0 054-002733-0 054-017209-0	HI A 317 HI A 303 HI A 304	El Paso Natural Gas Newfield Expl. Co. Newfield Expl. Co.		
HIA 334 A	334HA	1,205	054-002423-0	HI A 334	Unocal		
HIA 356 A	356HA	410	054-002746-0	HI A 356	Pogo Producing Co.		
HIA 370 A	370HA	1,005	054-002434-0 054-002751-0	HI A 370 HI A 369	Kerr-McGee O&G Kerr-McGee O&G	Transco	<u>2/</u>
HIA 469 A	469HA	1,630	054-002689-0 054-003244-0	HI A 469 HI A 494	Unocal Petroquest Energy		
HIA 552 A	552HA	1,730	054-003949-0 054-003757-0 054-006237-0	HI 552 HI 551 HI 553	Forcenergy Inc. Forcenergy Inc. Bellwether Expl. Co.		
HIA 561 A	561HA	1,680	054-002712-0 054-014152-0	HI A 561 GA A 218	Newfield Expl. Co. Walter O&G Corp.	Transco	<u>2/</u>
HIA 563 B	563HA	2,920	054-002388-0 054-002384-0	HI A 563 HI A 555	Texaco E&P Inc. Texaco E&P Inc.		
HIA 571 A	571HA	5,510	054-002391-0 054-002390-0 054-014194-0	HI A 571 HI A 570 HI A 576	Dominion Dominion Kerr-McGee O&G		
HIA 582 C	582CHA	2,180	054-002719-0 054-002388-0	HI A 582 HI A 563	Texaco E&P Inc. Texaco E&P Inc.		
HIA 573 B	573HA	1,985	054-002393-0 054-002392-0 754-390002-0	HI A 573 HI A 572 HI 571A	Unocal Unocal Unocal		
HIA 595 CF	595HA	2,725	054-002721-0 054-002722-0	HI A 595 HI A 596	Unocal Unocal		
Package 2 Total:		<u>25,140</u>					

Note 1/ Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Note 2/ Successful purchaser must contract with lateral line operator for transportation. MMS will reimburse the purchaser for the actual, reasonable lateral charge.

Bid Sheet

Minerals Management Service
IFO No: MMS-RIK-2002-GOMR-001

Attachment 6
Exhibit A

Karen Bigelow: 303 275 7411
Mike DeBerard: 303 275 7235
Fax No.: 303 275 7124

Matagorda Offshore Pipeline System - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation	Nov 01 - Mar 02 Term Bid <u>1/</u>	Nov 01 - Oct 02 Year Bid <u>1/</u>	MOPS Transportation <u>2/</u>
Entry in NNG Line Offshore MOPS System	13,000	Base			- not applicable -
Entry in NNG Line Offshore MOPS System	5,940	Swing			- not applicable -

1/ Baseload gas is bid at Inside FERC: FGT (Z1) or Houston Ship Channel (large package)
Swing load gas is bid at Gas Daily (Daily): Louisiana - Onshore South; FGT Z1 or
East - Houston - Katy; Houston Ship Channel

2/ MMS has contracted transport on MOPS with NNG and will assign contract to winning offeror.
Successful offeror will pay this contracted rate to NNG and be reimbursed by MMS.

- Recognizing that MOPS has access to both interstate and intrastate markets, MMS will also give preference to bids with a "greater of" clause that includes an interstate and intrastate index.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

MOPS (Matagorda Offshore Pipeline System)
IFO No: MMS-RIK-2002-GOMR-001
Term: November 2001 - March/October 2002

Attachment 6
Exhibit B

NNG Receipt Point		Daily 1/ Royalty Production	Lease/Agre.	Area\Block	Operator
Location	POI #	(MMBtu)			
MI 631/658	62309	470	054-014792-0	MI 631	LLOG Exploration
MI 632	25035	2,960	054-003091-0	MI 632	Exxon Mobil
			054-003096-0	MI 656	Exxon Mobil
			054-004139-0	MI 657	Exxon Mobil
			891-020230-0	MI 632	Exxon Mobil
MI 665	896	110	891-016938-0	MI 665	Taylor Energy Co.
MI 681	17925	1,280	054-004703-0	MI 681	Apache Corp.
			054-005171-0	MI 682	Apache Corp.
MI 686	452	340	054-003465-0	MI 686	Apache Corp.
			054-004548-0	MI 685	Apache Corp.
MI 687/699	9898	490	054-006052-0	MI 687	Apache Corp.
			054-008548-0	MI 688	Energy Resource Tech.
MI 696/665	25321	230	054-004704-0	MI 696	Amerada Hess
MI 700	327	1,670	054-003108-0	MI 700	GOM Shelf LLC
MI 703	17926	3,840	054-003733-0	MI 703	BP Amoco
			054-013290-0	MI 683	Apache Corp.
			054-013295-0	MI 709	ATP Oil & Gas Corp.
MU 739/740	3364	700	054-004064-0	MU 739	EI Paso Exploration
			054-005980-0	MU 740	EI Paso Exploration
MU 757/762	2410	1,260	054-003019-0	MU 757	BP Amoco
			054-003021-0	MU 762	BP Amoco
			054-003022-0	MU 763	BP Amoco
MU 758	1226	2,280	054-005996-0	MU 784	EOG Resources Inc.
MU 759/738	62310	1,210	054-014103-0	MU 759	EOG Resources Inc.
MU 782/785	58129	200	054-008975-0	MU 785	Houston Expl. Co.
			054-014105-0	MU 807	Houston Expl. Co.
MU 787/805	60550	1,200	754-394002-0	MU 805	BP Amoco
			054-010152-0	MU 806	BP Amoco
			054-015704-0	MU 788	BP Amoco
MU 809	37388	700	054-003011-0	MU A 16	GOM Shelf LLC
Package Total:		18,940			

Note 1/ Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Bid Sheet

Minerals Management Service
IFO No: MMS-RIK-2002-GOMR-001

Attachment 7
Exhibit A

Karen Bigelow: 303 275 7411
Mike DeBerard: 303 275 7235
Fax No.: 303 275 7124

North High Island System - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation	Nov 01 - Mar 02 Term Bid <u>1/</u>	Nov 01 - Oct 02 Year Bid <u>1/</u>	Transco Transportation <u>2/</u>
North High Island System	42,830	Swing			- not applicable -

1/ Swing load gas is bid at Gas Daily (Daily): Louisiana - Onshore South; Transco, St. 65

2/ MMS has contracted for transport on Transco to Station 65 and will assign contract to winning offeror.
Successful offeror will pay this contracted rate to Transco and be reimbursed by MMS.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

NHIS (North High Island System)

IFO No: MMS-RIK-2002-GOMR-001

Term: November 2001 - March/October 2002

Attachment 7

Exhibit B

Receipt Point	Meter Number	Daily ^{1/} Royalty Production (MMBtu)	Lease/Agre.	Area/Block	Operator
GA 239 A	1608-1	2,110	054-009032-0	GA 239	Walter O&G Corp.
HI 110 A	1278	50	054-002353-0 054-002354-0	HI 110 HI 111	W & T Offshore Inc. W & T Offshore Inc.
HI 140 A	1346	700	055-000518-0	HI 140	Devon Energy
HI 176 A	1522	4,850	054-006164-0 054-006168-0 054-006167-0	HI 176 HI 196 HI 195	Exxon Mobil Exxon Mobil Apache Corp.
HI 177 A	1545	7,600	054-006165-0	HI 177	W&T Offshore, Inc.
HI 179 A	1391	15,050	754-388006-0 054-006166-0 054-003237-0 054-003229-0 054-006093-0	HI 179 HI 194 HI 193 GA 192 GA 209	Shell Offshore Inc. Shell Offshore Inc. Exxon Mobil Exxon Mobil Exxon Mobil
HI 195 A	unavailable	3,500	054-006167-0	HI 195	Apache Corp.
HI 207 A	1609	8,160	054-008151-0 054-007286-0	HI 207 HI 208	EOG Resources, Inc. Coastal Oil & Gas
HI 235 #1	91650	currently shut-in	054-018941-0	HI 235	Spinnaker Expl. Co.
HIA 21 A	1582	810	054-011365-0 054-006180-0	HI A 21 HI A 22	Walter O&G Corp. Walter O&G Corp.
Package Total:		<u>42,830</u>			

Note ^{1/} Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Bid Sheet

Minerals Management Service
IFO No: MMS-RIK-2002-GOMR-001

Attachment 8
Exhibit A

Karen Bigelow: 303 275 7411
Mike DeBerard: 303 275 7235
Fax No.: 303 275 7124

Stingray Pipeline - RIK Gas Sales

Delivery Point	Volume MMBtu/D	Obligation	Nov 01 - Mar 02 Term Bid <u>1/</u>	Nov 01 - Oct 02 Year Bid <u>1/</u>	Stingray Transportation <u>2/</u>
PACKAGE 1					
Stingray Pipeline	15,000	Base			- not applicable -
Stingray Pipeline	6,610	Swing			- not applicable -
PACKAGE 2					
Stingray Pipeline	20,000	Base			- not applicable -
Stingray Pipeline	4,350	Swing			- not applicable -
PACKAGE 3					
Stingray Pipeline	20,000	Base			- not applicable -
Stingray Pipeline	6,570	Swing			- not applicable -

☐ I am interested in one or two packages

☐ I am interested in all packages as one purchase

1/ Baseload gas is bid at Inside FERC: NGPL (LA)
Swing load gas is bid at Gas Daily (Daily): Louisiana - Onshore South; NGPL (La.)

2/ MMS has contracted for transport on Stingray and will assign contract to winning offeror.
Successful offeror will pay this contracted rate to Stingray and be reimbursed by MMS.

Your Name

Phone Number

Company Name

Fax Number

Property Listing

Stingray Pipeline

IFO No: MMS-RIK-2002-GOMR-001

Term: November 2001 - March/October 2002

Attachment 8

Exhibit B

Receipt Point	Meter Number	Daily 1/ Royalty Production (MMBtu)	Lease/Agre.	Area\Block	Operator	Lateral Line
Package 1						
EC 338 A	5443	650	054-002063-0	EC 338	Kerr-McGee O&G	
			054-014385-0	EC 349	W&T Offshore	
			054-015157-0	EC 350	W&T Offshore	
EC 359 A	5955	3,020	054-002567-0	EC 359	Anadarko Petroleum	
			054-012856-0	EC 378	Hall Houston	
			054-014383-0	EC 347	Anadarko Petroleum	
GB 191 A	25015	1,690	054-006359-0	GB 191	Chevron U.S.A. Inc.	
VR 214 A	6187	1,840	054-002076-0	VR 214	Chevron U.S.A. Inc.	
			054-011877-0	VR 213	NCX Company, Inc.	
VR 320 A	7117	1,030	054-002087-0	VR 320	Hall-Houston Oil Co.	
			054-019769-0	VR 325	Hall-Houston Oil Co.	
			054-021096-0	VR 326	PRS Offshore LP	
WC 0196 A	4980	4,830	054-005292-0	WC 196	Unocal	
			054-003264-0	WC 197	Unocal	
WC 269 JA	10722	610	054-013563-0	WC 269	Transworld	
			054-013838-0	WC 266	Transworld	
			054-015073-0	WC 270	Shell Offshore Inc.	
WC 368 A	5924	3,970	054-005315-0	WC 368	Century Off. Mgmt.	
			054-015083-0	WC 364	BP Amoco	
			054-021054-0	WC 367	Century Off. Mgmt.	
WC 564 A	501	200	054-002014-0	WC 564	Chevron U.S.A. Inc.	
WC 565 A	502	2,040	054-002015-0	WC 565	Shell Offshore Inc.	
WC 593 A	5907	1,730	054-002023-0	WC 593	Unocal	CGT
			054-002024-0	WC 594	Unocal	<u>2/</u>
Package 1 Total:		<u>21,610</u>				

Package 2

EC 320 A	10606	320	054-010636-0	EC 320	Samedan Oil Corp.	
GB 72 A	10636	1,600	054-013363-0	GB 72	Flextrend Dev. Co.	
			054-012631-0	GB 117	Flextrend Dev. Co.	
			754-396017-A	GB 161	Devon Energy	
VR 321 A	490	2,000	054-002088-0	VR 321	Nexen Petroleum	
			054-003138-0	VR 302	Nexen Petroleum	

Property Listing

Stingray Pipeline

IFO No: MMS-RIK-2002-GOMR-001

Term: November 2001 - March/October 2002

Attachment 8

Exhibit B

Receipt Point	Meter Number	Daily ^{1/} Royalty Production (MMBtu)	Lease/Agre.	Area\Block	Operator	Lateral Line
VR 340 A	491	600	054-002091-0 054-002090-0	VR 340 VR 339	Nexen Petroleum Nexen Petroleum	
VR 371 A	10547	3,970	754-393006-0	VR 371	Samedan Oil Corp.	
VR 410 A	10766	660	054-014435-0 054-011903-0 054-011853-0 054-014430-0	VR 409 VR 410 EC 362 VR 389	ATP Oil & Gas Corp. ATP Oil & Gas Corp. LLE ATP Oil & Gas Corp.	
WC 170 A	2496	5,160	054-004085-0	WC 170	Nexen Petroleum	
WC 172 D	36111	1,790	054-001998-0	WC 172	PRS Offshore	
WC 522 A	5917	1,770	054-014340-0 054-015107-0	WC 522 WC 521	Newfield Expl. Co. Dominion	TET/NGPL <u>2/</u> TET/NGPL <u>2/</u>
WC 533 A	496	2,380	891-016152-0 054-002224-0 054-002225-0	WC 533 WC 532 WC 533	Devon Energy Devon Energy Devon Energy	
WC 536 A	7120	960	054-004773-0	WC 536	Devon SFS Operating	
WC 544 A	25725	570	054-014342-0 054-012802-0	WC 544 WC 543	Apache Corp. Apache Corp.	
WC 551 A	498	420	054-002555-0	WC 551	Devon Energy	
WC 560 A	504	2,150	054-004844-0 054-004094-0	WC 575 WC 561	Devon Energy Newfield Expl Co.	

Package 2 Total: 24,350

Package 3

EC 373 A	26,570	754-398017-A 054-015838-0 054-015841-0 054-015852-0	EC 373 GB 108 GB 152 GB 200	Kerr-McGee O&G Kerr-McGee O&G Kerr-McGee O&G Amerada Hess
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Package 3 Total: 26,570

Note ^{1/} Daily Production numbers are MMS' estimated share of production from the property. Historical production and quality data available upon request.

Note ^{2/} Successful purchaser must contract with lateral line operator for transportation. MMS will reimburse the purchaser for the actual, reasonable lateral charge.